STATEMENT OF BASIS (AI No. 116698)

This Statement of Basis is for the Notice of Intent to Terminate Louisiana Pollutant Discharge Elimination System (LPDES) permit No. LA0119253.

THE APPLICANT IS: Plains Exploration & Production Company

SL 17379 No. 2 Well 717 Texas, Suite 2100 Houston, TX 77002

ISSUING OFFICE: Louisiana Department of Environmental Quality (LDEQ)

Office of Environmental Services

P.O. Box 4313

Baton Rouge, LA 70821-4313

PREPARED BY: Gene Jarreau

Water Permits Division Phone No.: (225) 219-3080

E-mail Address: Gene.Jarreau@la.gov

DATE PREPARED: October 23, 2009

1. PERMIT STATUS

A. Reason For Permit Action:

Notice of Intent to Terminate a Louisiana Pollutant Discharge Elimination System (LPDES) permit, issued for a 5-year term.

B. LPDES permit: LPDES permit effective date: May 1, 2004

LPDES permit expiration date: April 30, 2009

C. Date request to terminate permit received: December 9, 2008

2. FACILITY INFORMATION

- A. FACILITY TYPE/ACTIVITY Oil and gas exploration, development, and production operations. Pogo Producing Company (now owned by Plains Exploration & Production Company) SL 17379 No. 2 Well is an oil and gas exploration, development, and production facility.
- B. FEE RATE
 - 1. Fee Rating Facility Type: Minor
 - 2. SIC Code: 1311
- C. LOCATION West Delta Area Block 54 Field, approximately 19.3 miles southwest of Venice, Plaquemines Parish. Latitude: 28° 59' 49" Longitude: 89° 23' 36"

3. REASON FOR TERMINATION

It is understood that Plains Exploration & Production Company purchased Pogo Producing Company in November 2007. It is also understood that Plains Exploration & Production Company has not operated at the property associated with this permit.